

FILED

NOV 26 2007

PEGGY B. DEANS, CLERK
U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF N.C.

November, 19, 2007

Edward K.S. Kong
214 Mulberry St. Apt 5C
New York, NY 10012

Clerk, U.S. Bankruptcy Court
P.O. Box 1441
Raleigh, NC 27602-1441

RE: Claim No: 000753

Dear Sir or Madam:

I am writing in regards to the letter I received from IHI organization. I've enclosed necessary documentation for the claim no: 000753. It has been such a long time since this claim has been submitted, I am unsure as to why the claim would be \$950.00.

In the documentation provided, it states the amount paid was \$893.25. The documentation contains the International Heritage Agreements, a complaint letter that was made back in 1997. After the complaint letter, I never heard back from the Chi K. Chan or from your organization. As far as I know, my membership was cancelled. I haven't heard from IHI organization since until the bankruptcy notice.

A copy has been submitted to the Holmes P. Harden, Trustee for IHI. If you have any questions, feel free to contact me at (212) 226-0668.

Sincerely,



Edward K.S. Kong

FROM IAI

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Form H9771 v.0.02



SECTION FOUR
INDEPENDENT RETAIL SALES REPRESENTATIVE AGREEMENT
AND
CERTIFICATION LETTER

I hereby apply to become an Independent Retail Sales Representative ("Representative") of International Heritage, Inc. (hereinafter "Company").

As a Representative, I understand, agree and certify that:

1. I am of legal age in the state in which I enter this Agreement.
2. I shall become a Representative upon acceptance of this Agreement by the Company. As a Representative, I shall have the right to sell the services and products offered by the Company in accordance with the Company's Statement of Policies and Procedures, which may be amended from time to time.
3. Upon notification to Representatives, the Company, at its discretion, may amend the Statement of Policy and Procedure, the Bi-Lateral Compensation Plan, and any other documents or materials related to the Company's operations and business.
4. I have carefully reviewed all of the materials contained in the Company's Retail Business Career Kit, the Statement of Policies and Procedures and the Bi-lateral Compensation Plan, and acknowledge that they are incorporated as part of this Agreement in their present form and as modified from time to time by the Company and by signing this Agreement I am bound to all of the terms and conditions set forth herein and therein.
5. The term of this Representative is one (1) year, renewable automatically unless previously terminated.
6. A Representative shall be entitled to cancel participation in the IHI program at any time, for any reason upon written notice to the Company. Upon notification of cancellation or termination, the Sponsoring Representative or the Company will repurchase inventory and Retail Business Career Kit materials in accordance with its policies as stated in the Company's Statement of Policies and Procedures.
7. Upon acceptance of this Agreement by the Company, I will be an independent contractor responsible for my own business and not an employee of the Company. I will not be treated as an employee for purposes or application of laws governing employees, including but not limited to the Federal Insurance Contributions Act, the Social Security Act, the Federal Unemployment Tax Act, income tax withholding at the source or any federal or state tax laws. It is my sole responsibility to pay self-employment, state and federal income taxes as required by law.
8. I will not use the Company's copyrights, trade name, trademarks and/or service marks, except in the advertising provided to me by the Company or in other advertising which has received

the prior written approval of the Company.

9. Any Representative, who sponsors other Representatives, must fulfill the obligation of performing a bona fide supervisory, distributing and selling function in the sale or delivery of products to the ultimate consumer and in the training of those sponsored. Representatives must have ongoing contact, communication and management supervision with his or her Retail Sales Organization. Examples of such supervision may include, but are not limited to, the preparation and/or conduct of: written correspondence, personal meetings, telephone communications, voice mail communications, electronic mail communications, training sessions, and accompanying individuals to Company training. Representatives should be able to provide, upon request, evidence to the Company, quarterly, of ongoing fulfillment of Sponsor responsibilities if requested.
10. The Company's program is built upon retail sales to the ultimate consumer. The Company also recognizes that Representatives may wish to purchase products for their own personal or family use. Representatives must fulfill published personal and down-line retail sales requirements, as well as supervisory responsibilities, to qualify for Development Bonuses, Override Commissions or advancements.
11. It is Company policy to strictly prohibit the purchase of large quantities of product or inventory solely for the purpose of qualifying for Development Bonuses or Override Commissions. Representatives may not "inventory load" nor encourage others to do the same.
12. The Representative acknowledges that he / she / it is a wholly independent marketing representative who establishes and services retail customers for Company products as an independent contractor. The position of Representative does not constitute either a sale of a franchise or a distributorship, and absolutely no fees have been or will be required from the Representative for the right to distribute the Company's products pursuant to this Agreement. This Agreement is not intended and shall not be construed to create a relationship of employer-employee, agency, partnership, or joint venture between any Representative, sponsor and/or the Company.

As an independent contractor, the Representative shall:

- a. Abide by any and all federal, state, country, county, province and other local laws, rules and regulations pertaining to this Agreement and/or the acquisition, receipt, holding, selling, distributing or advertising of Company products.
 - b. At the Representative's own expense, make, execute or file all such reports and obtain such licenses as are required by law or public authority with respect to this Agreement and/or the receipt, holding, selling, distributing or advertising of Company products.
 - c. Be solely responsible for declaration and payment of all local, state and federal taxes as may accrue because of the Representative's activities in connection with this Agreement.
13. No purchase or investment is necessary to become a certified Independent Retail Sales Representative.

14. The Company may immediately terminate a Representative who discredits the Company's name, violates any requirement contained in this Agreement, the Company's Policies and Procedures, or training manuals, or misrepresents the Company's products or business opportunity by making claims contrary to the Company's product literature and labels.
15. This Agreement, the material contained in the Retail Career Business Kit, the Statement of Policies and Procedures and the Bi-Lateral Compensation Plan constitute the entire agreement between the Representative and Company and no other additional promises, representations, guarantees or agreements of any kind shall be valid unless in writing, executed by all parties hereto.
16. This Agreement shall be governed by the laws of the state of North Carolina and all claims, disputes and other matters between the parties of this Agreement shall be brought in the General Court of Justice, Wake County, North Carolina, or in the U.S. District Court for the Eastern District of North Carolina, Raleigh Division.
17. I acknowledge that I have read and understand and agree to the terms set forth in this Agreement.
18. This Agreement is not in force until accepted by the Company.

ACCEPTANCE:

International Heritage, Inc.:

Applicant:

By: _____
(Company Officer)

_____ (seal)
(Signature)

Title: _____

(Printed name)

Date of Acceptance: _____
(for office use only)

Date of Acceptance: _____

INTERNATIONAL HERITAGE, INC.

INDEPENDENT RETAIL SALES REPRESENTATIVE APPLICATION

For Internal Use Only

ID# _____

Order# _____

Kong Edward

REPRESENTATIVE INFORMATION (Applying Representative)

Social Security Number / Federal Tax ID#

554043570

Name of Representative (Last)

(First)

(Initial)

KONG EDWARD KING

Mailing Address (No P.O. Boxes)

22211 100TH AVE NAPT 150

City/Town County State Zip Code

NEW YORK NY 10012

Home Phone

212 226 0668

Business Phone

Fax Number

Check one of the following

☒ Development Leader 1 (3 Retail Business Centers - requires immediate certification)☒ Development Leader 2 (7 Retail Business Centers - requires immediate certification)☐ Other**PLACEMENT SPONSOR INFORMATION (where this new Retail Business Center is to be placed)**

Representative ID# (or Social Security # / Federal Tax ID#)

Number

Left or Right (circle one)

EXTENSION

008

☒ L☐ R

Name of Representative (Last)

(First)

(Initial)

CHIAN CHIL K

Home Phone

212 240 0280

AND/OR

Business Phone

212 240 0280

Fax Number

SPONSOR (if different from above)

Representative ID# (or Social Security # / Federal Tax ID#)

29480185

Name of Sponsor (Last)

(First)

(Initial)

MOY PETER

I AGREE TO THE ABOVE INDICATED INFORMATION AND AM BOUND BY THE TERMS OF THE POLICIES AND PROCEDURES MANUAL AND THE TERMS AND CONDITIONS OF THE INDEPENDENT RETAIL SALES REPRESENTATIVE AGREEMENT.

Edward K.S. Kong

Representative's Signature

Date

5/2/97

PAYMENT OPTIONS

A. Credit Card Authorization: (Must be filled out completely)

☐ MasterCard ☒ Visa (No other credit cards accepted)

Card # 4226-5001-0000-0000

Expiration Date 04-98

Name of Cardholder EDWARD K.S. KONG

Signature Edward K.S. Kong

B. Certified Check/Money Order #

C. Personal Check#

(Personal Check Acceptance Form must be attached)

Mail Certified Check or Money Order along with original to:

INTERNATIONAL HERITAGE, INC.

2626 Glenwood Ave., Suite 200 • Raleigh, NC 27608

Phone: (919) 571-4646

* Fax copies not accepted

Application Fee

\$ 0

Administrative Fee (optional)

\$ 25.00

Access to: Data & Commission processing, news-letter, back office support & communications, product updates, accounting & other customary services

Retail Business Career Kit (not for profit)

\$ 100.00

Start up materials, flip chart presentation, sample forms, audio/video, product catalogue, monthly planner, etc.

Career Kit State & Local Sales Tax 8.25%

\$ 8.25

Delivery Charge

\$ 10.00

on Retail Business Career Kit (choose one)

☐ 2 Day Air \$15.00 ☐ Ground \$10.00

Total from Product Order Form, Retail

\$ 750.00

Business Agreement and Sales Aids Form

TOTAL AMOUNT ENCLOSED

\$ 893.25

INTERNATIONAL HERITAGE, INC.

RETAIL BUSINESS AGREEMENT

BUYER'S INFORMATION

Social Security Number / Federal Tax ID#

554 04 3517

Name (Last)

(First)

(Initial)

NOVA EDWARD K. KING

Company Name (Contact name must be provided above)

Shipping Address (no P.O. boxes)

214 MULBERRY STREET

City/Town

State

Zip Code

NEW YORK NY 10014

Fax Number

Cellular/Voice

PRODUCT INFORMATION

(Check One)

Retail Business Center	RBA Product Item Number (3 RBA's per Business Center max)		
	RBA 1	RBA 2	RBA 3
0 0 1	5106		
0 0 2	51035		
0 0 3	51045		
0 0 4			
0 0 5			
0 0 6			
0 0 7			
0 0 8			
0 0 9			

Development Leader

(1 Retail Business Center with 60 day Cash-Out option)

Development Leader One

(3 Retail Business Centers Cash-Out option not available)

Development Leader Two

(7 Retail Business Centers Cash-Out option not available)

Recertification

Other

TOTAL

750.00

750.00

PAYMENT OPTIONS

A. Credit Card Authorization: (Must be filled out completely)

☐ MasterCard

☒ Visa (no other credit card accepted)

Card #

4226

Expiration Date

Name of Cardholder

Signature Edward K. L. King

B. Certified Check/Money Order #

C. Personal Check #

(Personal Check Acceptance Form must be attached)

Mail Certified Check or Money Order along with original to:

INTERNATIONAL HERITAGE, INC.

2626 Glenwood Ave., Suite 200

Raleigh, NC 27608

Phone: (919) 571-4646

*Fax copies not accepted

I agree to the above indicated information and will be bound by the terms and conditions contained on the reverse side, the policies and procedures, and the Independent Retail Sales Representative Agreement and Handbook.

Signature Edward K. L. King

Purchaser's Signature

Date

5/2/97

INTERNATIONAL HERITAGE, INC.

INDEPENDENT RETAIL SALES REPRESENTATIVE RETAIL RECEIPT FORM

The Independent Retail Sales Representative Retail Receipt Form is a required document for all direct product purchases and all Retail Business Agreements. If this form is not attached to a product order or Retail Business Agreement the paperwork will not be processed and will be returned to the Selling Representative.

PURCHASING CUSTOMER INFORMATION

KONG, EDWARD KING SHE
Name
214 MULBERRY STREET APT. #5C
Street Address
NEW YORK NY 10012
City State Zip
(212) 226-0668
Home Phone Business Phone

SELLING REPRESENTATIVE INFORMATION

CHAN, CHI K
Name
63 BAXTER ST
Street Address
BRX NY 10013
City State Zip
(212) 220-0586
Representative ID # Telephone

If the purchasing customer is considering joining International Heritage as a Representative but is purchasing product(s) prior or at the time of his/her association, this prospective Representative is making a retail product purchase as a non-member. If the purchasing customer subsequently becomes associated with the Company and orders products at a later date, those products would be considered purchases for personal consumption unless they are purchased for a retail sale.

*The cancellation provisions of this receipt form apply only to the retail product purchase associated with this transaction. These cancellation provisions are unrelated to the Cash-Out option of the Retail Business Agreement (RBA).

ITEM #	PRODUCT DESCRIPTION	QTY.	SIZE	COST	TOTAL
5106	Lexington Brief (BLACK)	1		275.00	275.00
51035	Court Bag, Double Billford wallet 2pc set	1	(BLACK)	250.00	250.00
51045	Sotto Bag, Double Billford wallet 2pc set	1	(BLACK)	315.00	315.00
100% SATISFACTION GUARANTEE Thank you for your order! If for any reason you are not completely satisfied with your product selection, you may return it within 10 days after receipt for a full refund from your International Heritage Independent Retail Sales Representative.				SUBTOTAL	
				TAX (n/a if RBA)	
				SHIPPING (n/a if RBA)	
				TOTAL	

Edward K.S. Kong
Purchasing Customer Signature

5/2/97
Date

YOU, THE BUYER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE NOTICE OF CANCELLATION FORM ON BACK FOR AN EXPLANATION OF THIS.

The undersigned hereafter referred to as "Buyer" and International Heritage, Inc. hereafter referred to as "IHI" enter into this agreement effective as set forth below.

1. The buyer agrees to pay the sum of \$250.00 toward the purchase of an IHI product. The Retail Business Agreement has a sixty (60) day cash value of \$250.00 per product selected.
2. The Representative, by signing below, certifies that by placing this order, he/she has sold/consumed 70% or more in dollar value of any previous order from International Heritage, Inc.
3. This Retail Business Agreement will become null and void and receive no corporate headquarters and no assistance therefrom by IHI.
4. All completed Retail Business Agreements received by IHI and all commissions for products sold will be processed and returned to the buyer within 30 days of receipt of the completed agreement.
5. THIS AGREEMENT IS SUBJECT TO THE PROVISIONS AND PROCEDURES AS FORTH IN THE IHI INDEPENDENT RETAIL SALES REPRESENTATIVE HANDBOOK AND TO THE TERMS, CONDITIONS, CONTAINED IN THE IHI CATALOG, COMPENSATION PLAN, AND REPRESENTATIVE APPLICATION, CERTIFICATION LETTER AND THE WAY FORM ALL OF WHICH ARE INCORPORATED HEREIN.

CHOOSE ONE OF THE FOLLOWING:



BUY-OUT

Buyer agrees that in order to complete this agreement and to receive the product ordered, the balance of \$_____ plus sales tax on total Representative Cost, plus a general administrative fee of 5% of total Representative Cost must be paid within sixty (60) days of the date of this agreement. Once Buy-Out expires, the Earn-Out option is still available. A charge back of business volume, if applicable, will occur when the Buy-Out is received by IHI home office.



EARN-OUT

Buyer is a representative and is making this purchase for resale or personal use and is applying commissions to be earned toward completing this agreement. There is no time limit in earning the product and there is no 5% administrative fee with this selection.



CASH-OUT (ONLY AVAILABLE TO DEVELOPMENT LEADER WITH 1 RETAIL BUSINESS CENTER)

Buyer desires to cancel this Retail Business Agreement and terminate the relationship with IHI. Buyer must sign below and return the Retail Business Agreement to the corporate offices of IHI within sixty (60) days from the date of this agreement. Buyer will receive 100% refund. When a Representative has achieved Level 1 earnings from IHI under any RBA or Business Center, the Cash-Out option is no longer available. If a Representative has not received a Level 1 earnings, he may elect the Cash-Out option. A charge back of business volume will occur when the Cash-Out is received by the IHI home office.



X Edward K. S. Keng
Buyer's Signature

5/2/97
Date

Purchasing Customer/Prospective Representative (please answer the following):

I am purchasing this/these product(s) for personal consumption. _____ Yes _____ No

I am purchasing this/these product(s) for retail purposes and have already sold or will be selling them to a retail customer. _____ Yes _____ No

Selling Representative (please answer the following):

This product has been sold to someone not affiliated with IHI. _____ Yes _____ No

Is this a direct product purchase for a retail sale? _____ Yes _____ No

If yes, I sold _____ (# of products) items for a total of \$ _____ (retail total, not rep cost).

I understand that 70% of all products purchased must be resold to retail customers unless purchased for reasonable personal consumption.

Representative Signature _____ Date _____

NOTICE OF CANCELLATION
(For retail customers and direct product purchases.)

You may cancel this transaction, without any penalty or obligation, within three (3) business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten (10) business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel this transaction, you must make available to the seller, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may return or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

TO CANCEL THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS CANCELLATION NOTICE OR ANY OTHER WRITTEN NOTICE, OR SEND A TELEGRAM,

to _____
NAME OF SELLER

at _____
ADDRESS OF SELLER'S PLACE OF BUSINESS

NOT LATER THAN MIDNIGHT OF _____ (date).

I hereby cancel this transaction. Date _____

Buyer's Signature _____

214 Mulberry St. Apt.5C
New York, NY 10012
December 27, 1997

International Heritage Inc.
2626 Glenwood Ave, Suite 200
Raleigh, NC 27608

Re: Complaint

Dear Sir or Madam:

I am writing in regards to my membership into your organization. I have a complaint against the Selling Representative, Mr. Kenny Lau. I joined into IHI in May of 1997. When I signed, the Independent Retail Sales Representative application, I was misinformed of the details of the membership or any of the charges made to my credit card account. I am writing now because it took me approximately 4 to 5 months to get a hold of the agreement. Mr Lau had refused all ways possible to release the agreement to me.

At the time, I was told to sign the agreement and would automatically be enrolled into the organization. After looking over the agreement, purchases were made that I was unaware of. The products ordered totaled to \$750.00, which I never received. When I questioned Mr. Lau, his response was that all the charges were administrative and processing fees. I question the liability and reputation of your company when fraudulent changes made to the original contract agreement. The original contract was changed with white-out and in place, a different selling representative name was written. The original selling representative was Kenny Lau. His home address and number is listed below:

Mr. Kenny Lau
1972 83rd St.
Brooklyn, NY 11214
Tel: (718) 946-4178

As far as I am concern, this address is correct, unless it was changed.

I request that this situation will be investigated further. In regards to the changes made, in place of the original name the following was written:

Chan, Chi K.
63 Baxter St.
New York, NY 10013
tel: (212)240-0280

In addition, an Independent Retail Sales Representative agreement and certification letter was never signed. I was not informed of any further processing details. In the representative agreement, section nine states:

"Any Representative, who sponsors other Representatives, must fulfill the obligation performing a bona fide supervisory,

distributing and selling function in the sale or delivery of products to the ultimate consumer and in the training of those sponsored. Representatives must have ongoing contact, communication and management supervision with his or her Retail Sales Organization."

A total of 893.25 was charged to my account. The Sponsoring Representative, Mr. Kenny Lau did not fulfill any of the duties stated above.

I request that this situation will be investigated further and the appropriate actions will be taken against Mr. Kenny Lau. As well as an investigation of the products listed in the Sales Receipt form. The products were never received by me and request a refund of \$750.00 in purchases. I would also like to cancel my membership into IHI.

If further action is not taken, a complaint will be filed at the Bureau of Consumer Affairs. I have enclosed copies of the Independent Retail Sales application and the Representative agreement for your records. If you have any questions, feel free to contact me at home (212) 226-0668. Thank you for your cooperation. Please contact me to ensure that this matter will be further investigated.

Sincerely,

Edward K. S. Kong
Edward K.S. Kong

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